

AssiDomän builds corrugated packaging plant in the Czech Republic

AssiDomän has decided to invest around SEK 200 million in a new corrugated packaging plant in the Czech Republic. The plant will be built southwest of Prague, with production expected to get under way during the summer of 1998.

The plant's annual production capacity will amount to around 70 million m² of corrugated packaging. The number of employees is estimated to be about 100 in the first phase.

"AssiDomän's plant in the Czech Republic is a natural step in our campaign to establish a presence in Central and Eastern Europe. The new plant will be an important strategic unit in our European network of corrugated packaging plants," says Lennart Ahlgren, President and CEO of AssiDomän.

The Czech Republic is experiencing rapid economic growth, and the market growth for corrugated packaging is strong. The country's central location in Europe, sharing borders with Germany, Poland, Austria and Slovakia, was another factor that influenced the decision to set up production in the Czech Republic. The new plant will also serve the German market, for example.

"There is a great need for better packaging in the Czech Republic today. With our experience and know-how within the packaging field, we can help to reduce losses and improve efficiency in the distribution chain," says Ulf Kilander, President of AssiDomän Packaging.

"The Czech plant will also better equip us to serve our pan-European customers, i.e. large customers who buy packaging all over Europe," says Lars Richardson, head of AssiDomän Packaging's operations in Central and Eastern Europe.

AssiDomän Packaging, which is AssiDomän's corrugated packaging operation, has previously been represented in Eastern Europe via a plant in Vilnius, Lithuania. Production at the new corrugated packaging plant in St. Petersburg will also get under way during the summer of 1997.

With about 50 plants in ten countries, AssiDomän Packaging is one of Europe's leading manufacturers of corrugated packaging and corrugated case materials. The company has about 5,800 employees, and reported a turnover of SEK 8.7 billion in 1995.

AssiDomän has been established in the Czech Republic since 1995 through cooperation with and part-ownership (39%) of Sepap a.s., which manufactures liner, sack paper and sacks.

AssiDomän AB
Corporate Communications
11 December 1996

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AssiDomän is one of Europe's leading forest products companies. Production is concentrated to packaging paper and packaging, as well as sawn timber. AssiDomän is also one of the world's largest forest owners. The Group, which reported a turnover of nearly SEK 22 billion in 1995, has about 13,500 employees and 360,000 shareholders.